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# Congress of the United States

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### SUBCOMMITTEE ON FEDERALISM AND THE CENSUS

Congressman Michael R. Turner, Chairman



### OVERSIGHT HEARING

### STATEMENT BY MICHAEL R. TURNER, CHAIRMAN

Hearing Topic: *"The Connecticut Experience: What Can Be Done to Spur Brownfield Redevelopment in the New England Corridor?"*

1:00 p.m., Monday, March 13, 2006

Bridgeport City Hall  
City Council Chambers  
45 Lyon Terrace  
Bridgeport, Connecticut

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#### OPENING STATEMENT

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Welcome to the Subcommittee on Federalism and the Census' field hearing entitled *"The Connecticut Experience: What can be Done to Spur Brownfield Redevelopment in the New England Corridor?"* This is the fifth in a series of hearings held on the issue of brownfields and brownfield redevelopment. Our hearings in DC are informative and helpful, but all too often we only get the inside-the-beltway viewpoint. Field hearings allow us to reach out to the public and interact with individual communities on a more personal basis to learn first-hand of your concerns and suggestions. I am very pleased with the response to this hearing – both from our great number of witnesses and from the public in attendance here today.

Before we begin, I would like to express my appreciation to Mr. Shays for the invitation to hold this hearing in his district. In addition to chairing this subcommittee, I also chair Speaker Hastert's Saving America's Cities Working Group. Mr. Shays is a member of that group as well, and, through his work there, I know that his commitment to brownfields redevelopment and other economic development issues is strong. Mr. Shays, thank you for your leadership on this issue and your commitment to working on issues that aid cities in addressing their economic development challenges, including brownfields.

I would also like to express my great thanks to the City of Bridgeport and to Mayor Fabrizi for hosting these proceedings. We appreciate your accommodating efforts and for sharing your facilities.

In every community across this nation there are abandoned parcels of property marring the faces of our cities and towns. Behind rusted chain link fences are broken windows and crumbling buildings. Beneath the surface there are substances contaminating the local environment, robbing the communities in which they exist of new jobs and other economic opportunities. There are an estimated 450,000 to 1 million of these parcels, known as brownfields, across our nation, contributing to community blight and thus lowering property values and decreasing tax revenues. These sites lay abandoned and unused due to federal environmental laws and regulations that encourage abandonment of contaminated property by creating disincentives for cleanup and redevelopment. Current federal law triggers liability for remediation of contaminated properties once landowners have knowledge of the contamination. If redevelopment begins and contamination is discovered, the owner may be liable for remediation costs. If an owner abandons the property without disturbing the contamination, remediation costs may be avoided. The net effect of these laws and loopholes is the encouragement of abandoning brownfields.

If we are to achieve our goal of restoring these properties to productive use, and redeveloping them into centers of economic and community vitality, we must craft a federal response to a federally created problem. We cannot leave brownfields and abandoned factories as monuments to their once productive pasts. The redevelopment of brownfields will create jobs, new living and shopping choices, and spur the improvement or development of transportation and infrastructure. If we make redevelopment of brownfields more attractive, we can also help reduce urban sprawl and save green space. In my hometown of the City of Dayton, Ohio, over 50 acres of land surrounding our downtown are brownfields that would attract jobs and spur economic expansion -- if the city had assistance in addressing the environmental contamination from past use of the parcels.

In 2002, the President signed the Small Business Liability Relief and Brownfields Revitalization Act of 2001. While the law codified and secured independent appropriations for the EPA's brownfields program, the shining accomplishment of the Act was providing some relief from the daunting amount of potential liability for acquiring and attempting to redevelop a brownfield site. Specifically, the Act limits liability for owners of land that is contaminated by adjoining property as well as for prospective purchasers of known contaminated property. The Act also clarified the CERCLA "innocent landowner" defense and created additional liability relief by forbidding the federal government from intervening at sites being cleaned up under a state program except in certain circumstances. The Act addressed funding and liability issues -- strong first steps in encouraging brownfields redevelopment. The Subcommittee looks forward to hearing from EPA on the effect the brownfields program and new liability relief has achieved in Region I and in Connecticut specifically.

Last Congress, I, along with Chairman Tom Davis, requested that the Government Accountability Office (GAO) study the status of brownfields redevelopment across the nation. GAO's report shows that stakeholders are generally positive about EPA's brownfields program but that additional incentives, such as a tax credit, are needed to spur further brownfields redevelopment and really make a difference in communities across the country.

In December 2005, I introduced H.R. 4480, the "America's Brownfield Cleanup Act," in response to that study. The Act creates a tax credit program to be administered by state development agencies in partnership with state environmental agencies. The program would allocate \$1 billion annually in federal tax credits to states according to population. Credits would be allocable to brownfield redevelopment projects where the local government entity includes at least one census tract with poverty in excess of 20 percent. Tax credits would be competitively awarded to projects enrolled in a state voluntary cleanup program based on the project's remediation and redevelopment plans. Once awarded, the program would allow up to a 50 percent credit for demolition and remediation costs pursuant to a state-approved remediation and redevelopment plan. The remainder of remediation and redevelopment costs would be deductible or depreciable by the property owner. Redevelopment projects would be given preference based on the extent of poverty, location in a central business district, extent of environmental remediation, and extent of resources committed to redevelopment. The plan also includes incentives for past polluters to participate in redevelopment projects.

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The EPA's brownfields program has assisted a number of communities in brownfields assessment and cleanup. Stakeholders are appreciative of the EPA's brownfields program, especially with the easing of the regulatory regime. However, when choosing between brownfields, grayfields, and greenfields for development projects, it still comes down to a cost-benefit analysis. Unless we significantly address the cost of redevelopment and clean up of these sites, the EPA brownfields program will continue to affect only a few thousand sites, leaving a major gap and burdening many communities with land that cannot be redeveloped and that remain a blighting influence.

We have two panels of witnesses before us to help us understand the state of brownfields redevelopment and the impact of the EPA's brownfields program across Connecticut. We also hope to hear your ideas for improving or complementing the EPA brownfields program in order to encourage more aggressive redevelopment.

On our first panel, we will hear from:

- Mayor John Fabrizi of the City of Bridgeport;
- Mary Sanderson, Chief of the Remediation and Restoration II Branch within the Office of Site Remediation & Restoration of the U.S. Environmental Protection Agency Region I;
- Gina McCarthy, Commissioner of the Connecticut Department of Environmental Protection; and
- Mayor Mark Lauretti of the City of Shelton.

Our second panel of witnesses consists of representatives from the Connecticut stakeholder community. Presenting testimony will be:

- Elizabeth Barton, Partner and Chair of the Environmental & Land Use Department at Day, Berry & Howard, LLP;
- Joseph Carbone, President/CEO of The Workplace, Inc.;
- Robert Santy, President of the Regional Growth Partnership;
- Stephen Soler, President of the Georgetown Land Development Company; and
- Barry Trilling, Partner at Wiggin and Dana LLP

I look forward to the expert testimony our distinguished panel of leaders will provide today. Thank you all for your time today and welcome.

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